

Written Testimony of June C. Henderson

Montgomery County Resident

Montgomery County Council Public Hearing: Fiscal Year 2020 Operating Budget

April 10, 2020

Good afternoon, President Katz and members of the Montgomery County Council. My name is June Henderson. I am a 35 year resident of Montgomery County, Maryland. I am here this afternoon to express the need for adequate county funding to assist Montgomery County residents facing imminent evictions. This is inclusive of renters and borrowers in foreclosure. I am also requesting emergency legislation to amend current Montgomery County eviction procedures.

Foreclosure is a complex subject matter particularly when it involves investors. Foreclosures contributed to the 2008 financial crisis. Since the crisis, Maryland has repeatedly ranked as having the 3rd largest foreclosure rate in the U.S. In the midst of the CoronaVirus Pandemic, history is repeated for borrowers currently in foreclosure or facing foreclosure. There are numerous parties involved in Maryland foreclosure actions, out of State Federally regulated banks & Mortgage Servicers, Circuit Courts, Maryland Attorneys and the Sheriff Department.

There has been mention of moratoriums regarding foreclosures and rentals as a result of the Pandemic. However there are no succinct written directives, policies or memorandums of understanding for Maryland homeowners. Foreclosures are multi-jurisdictional, State, County and Federal involvement. Who will take the lead to insure Maryland homeowners and renters are protected from eviction? Their fate is imminent if there is no immediate intervention or oversight. The first step is to request from the Montgomery County Circuit/District Courts and Sheriff's Department the number of pending rental and foreclosure evictions. Of course there will be a barrage of eviction filings after the Pandemic ends.

Foreclosure and eviction is surreal for me. On October 23, 2018, I was forcefully evicted, handcuffed and struck in my neck by a 3rd District Police Officer. I was transported by EMT to Holy Cross Hospital for evaluation and held for almost 8 hours. I was evaluated by a Social Worker, released and told that I could leave the hospital. Where could I go? I did not have a home to go to. I did not have identification or cash and I was wearing a hospital gown & socks.

From 2008-2018, I was embroiled in a foreclosure dispute which involved Bank of America, Countrywide and Wells Fargo Bank. The latter of 6 years, involved a treacherous dispute with a Salt Lake City, Utah based, Mortgage Servicer, Select Portfolio Servicing, Inc., (hereinafter) SPS, formerly known as Fairbanks Capital. SPS is a unit of Credit Suisse Bank and regulated by The Maryland Office of the Commissioner of Financial Regulation.

During the six year period, I filed numerous complaints regarding the continuing abusive & fraudulent practices of SPS to no avail. Complaints were filed with State officials, Consumer Financial Protection Bureau (CFPB) as well as Maryland Office of the Commissioner of Financial Regulation.

SPS has a history of abusive and fraudulent mortgage servicing practices. In 2003, Maryland Senators, Barbara Mikulski and Paul Sarbanes called for a dual investigation of Fairbanks Capital now SPS. The investigation by FTC and HUD resulted in the servicer paying a penalty of \$55 mill and being under a consent order through 2018. SPS is not federally regulated. However, they are responsible for servicing Billions of dollars in foreclosure servicing portfolios for Fannie Mae and Freddie Mac. They have a huge presence in the state of Maryland. It is imperative that Maryland's Office of the Commission of Financial Regulation insure strict oversight of this non-bank servicer during the Pandemic and after.

Unlike renters, Maryland homeowners have a vested interest in County Revenue. Property taxes are paid annually on the mortgaged properties. State and County recordation fees are paid when a property is purchased, when the property is foreclosed upon and when the bank resells the property. Therefore, it is feasible that funds are set aside for homeowners that will cover relocation fees, storage unit fees and immediate funds to accommodate temporary housing to circumvent displacement before foreclosure eviction.

Many federally insured banks and mortgage servicers have the capacity to offer borrowers in default relocation funds a/k/a cash for keys to voluntarily relinquish the property. Often borrowers are not aware of this and the banks will not always make the offer for assistance.

Most of my "Stay Home Order" time has been spent reading the Pulitzer Prize winning book "Evicted, Poverty and Profit in the American City" by Princeton Professor of Sociology and MacArthur Fellow, Matthew Desmond. The book revealed an estimate of **2.3 million evictions were filed** in the United States in **2016**-more than four every minute. Mr. Desmond also created the "Eviction Lab" which has made nationwide eviction data publicly available and accessible. It is through this book that I learned of eviction procedures in other states that are **humane, i.e. Milwaukee Wisconsin, Milwaukee County**. The eviction procedure requires the landlord to arrange with Sheriffs to move and store any property left behind. Sheriffs must notify the tenant within 3 days where the property is being stored and how much it cost to get it back. A 30- day notice is required before they throw property out. The Sheriff only has the authority to remove the tenant or their property. The landlord must hire bonded movers. Other counties in Wisconsin allow landlords to purchase their own bond of insurance.

It is devastating to see belongings on the curb and strangers picking at items like scavengers after evictions. The Maryland eviction process states "Tenants personal property is placed to the nearest public right of way." Emergency legislation to amend eviction procedures would be beneficial for the wave of imminent evictions predicted after the Pandemic. Partnerships could be formed with moving companies and storage facilities through non-profit agencies. In 2010, just as the U.S. was beginning to climb out of the Global Financial Crisis, suicide was the 2nd leading cause of death for adults 25 to 34 in the U.S. and the 4th leading cause of death for adults ages 35-54."

Excerpts and links are provided for review.

I am thankful and applaud Montgomery County Council Members for their tireless commitment during the CoronaVirus-19 Pandemic. Faith, Family, Community and Education have come full circle. This too shall pass.

1. WTOP News, "Maryland continues to have the highest home foreclosure rate in the nation." December 23, 2019, "Property information database [Attom Data Solutions' foreclosure activity report](#) notes one in every 1,476 mortgaged residential properties in Maryland was in some state of foreclosure in November, ranked behind Delaware and New Jersey for foreclosure activity." <https://wtop.com/business-finance/2019/12/maryland-still-among-top-states-for-home-foreclosures/>

2. NPR.org, "First-ever Evictions Database Shows: We're in the middle of a Housing Crisis." April 12, 2018, "Matthew Desmond, Princeton Professor of Sociology." <https://www.npr.org/transcripts/601783346> (Audio)

3. Montgomerycountymd.org, "As of March 12th, 2020 all eviction orders in Montgomery are stayed for an initial period of 15 days, and subject to renewal in 15-day increments, until further notice from the Court." <https://www.montgomerycountymd.gov/sheriff/sections/eviction-section.html>

*Please note: Since 2014 Foreclosures in Montgomery County are filed as Civil Cases in Montgomery County. The case type is categorized as Civil. Prior to 2014 it was categorized as foreclosure. This prevents an accurate public search of Montgomery County foreclosures. Other Maryland Counties have the word "foreclosure" or acronyms indicating the case type.

4. Law.marquette.edu, "What you need to know about eviction." Milwaukee, Wisconsin, Milwaukee County." (Sample Handout) <https://law.marquette.edu/assets/community/pdf/mvlc-ClientEvictionHandout.pdf>

5. docs.legis.wisconsin.gov, Wisconsin State Legislation "Manner of Removal and Disposition of Removed Goods by Sheriff." Chapter 799.45 (3) (a) (b) (c) (d) <https://docs.legis.wisconsin.gov/statutes/statutes/799/41>

6. City Lab, CDC Report, Feb 20, 2015, "Suicides Related to Foreclosure Eviction Doubled During the Housing Crisis." "In 2010, just as the U.S. was beginning to climb out of the Global Financial Crisis, suicide was the 2nd leading cause of death for adults 25 to 34 in the U.S. and the 4th leading cause of death for adults ages 35-54."

<https://www.citylab.com/equity/2015/02/foreclosures-related-suicides-doubled-during-the-housing-crisis/385608/>

7. Bethesda Magazine, March 20, 2017, "Man Found in Rockville House Explosion Ruins Died of Suicide." "Steven Martin Beck's home was in foreclosure and scheduled for auction at 3:30 p.m., March 17, 2017 the day of his Suicide." <https://bethesdamagazine.com/bethesda-beat/police-fire/body-found-in-randolph-hills-explosion-identified-as-homes-resident/>